



CCM Testimony

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Finance, Revenue & Bonding Committee

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The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members representing 168 towns and cities.

HB 5673 AAC The Reformation of Certain Taxes and Tax Equity.

CCM opposes Section 7 of HB 5673.

Section 7 of HB 5673 would establish a state-wide property tax of 2 mills on commercial and residential property assessed at more than \$1.5 million.

The current property tax system, while regressive and onerous, is the sole source of local revenue and efforts should be focused on reducing local property taxes, not adding to them. Once the state opens the door to collecting revenue via the property tax what would prohibit the proposed 2 mill tax from going to 3 mills or higher and or lowering the threshold on which it is applied?

Municipalities have seen far too often how fiscal pressure has negatively impacted good intentions i.e., the reimbursement of PILOT at statutory levels, the reimbursement for the exemption of Manufacturing, Machinery and Equipment, and funding for Enterprise Zones tax abatements to name a few.

CCM supports the need for comprehensive reforms to the regressive property system. The property tax accounts for 40% of all taxes collected in the State and is continually undermined by the adoption of legislatively mandated property tax exemptions (currently 99). Overreliance on the property tax is especially detrimental to our urban communities where, in some cases, almost 50% of their taxable property is exempt. Adding 2 mills to the commercial and residential property tax only increases the burden of a regressive property tax, while not easing the burden of the property tax on residential or business tax payers.

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If you have any questions, please contact Randy Collins, Advocacy Manager of CCM at rcollins@ccm-ct.org or (860) 707-6446